

## Hon. Star Bulletin

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# Rewald Files Show No Major Link with CIA, Trustee Says

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A review of documents sealed by the federal court shows there is no substantial link between the CIA and the defunct investment firm of Bishop, Baldwin, Rewald, Dillingham, & Wong.

Bankruptcy Trustee Reynaldo Grautly said in a report made public today that his review of the records reaffirm earlier find-

ings that there were no major financial transactions between the U.S. government and Ronald Rewald or his Honolulu investment firm.

Grautly said his review of the company's records, including those sealed by the court and sealed affidavits from Rewald and the CIA, "indicates that, at this time there is, in the trustee's opinion, no credible evidence of

any substantial financial transactions between the CIA, or any other intelligence agency of the United States government, and BBRDW, Mr. Rewald or any affiliated entity."

In a report attached to the agenda for a meeting tonight by a group of BBRDW investors, Grautly repeated the assertion that only about \$3,000 of the \$20.4 million received by Rewald's company came from the CIA.

The CIA money was to reimburse the investment firm for telephone and telex charges, stationery and other minor expenses incurred to provide "commercial cover" for government agents.

THERE WAS no evidence to indicate that any of the \$20.1 million spent by the company went to overt or covert CIA projects, Grautly said.

Grautly said he has not reached a conclusion "as to whether the CIA or any other governmental

agency bears any legal responsibility for the economic loss suffered by the company and its creditors because of the CIA relationship."

"Of particular concern to the trustee is the fact that Mr. Rewald was given access to, or otherwise acquired and was known to have access to, sensitive government information and documents which permitted Mr. Rewald to assert or imply a greater association with the CIA than the CIA now contends actually existed."

Grautly said the CIA "may not have exhibited the required degree of care and diligence" when it agreed to use Rewald's firm as a cover.

While promising to investigate creditors' claims to CIA involvement, Grautly concluded, "that there is nothing in the sealed documents . . . which justifies the apparent massive investment fraud that has occurred in this case."

ABOUT 75 creditors were expected to meet tonight in the Paisley Room of the Hilton Hawaiian Lagoon Apartments for the first general meeting of the creditors association. Only creditors will be allowed at the session.

A group of about 50 creditors met April 25. Since then, Grautly, bankruptcy administrator Thomas Hayes, and two attorneys reviewed certain classified documents taken from the company's office in August and September 1983 and sealed by various court orders.

A court order signed May 3 gave the trustees access to some, but not all of the sealed documents. They include a CIA affidavit that presents its version of its relationship with Rewald; Rewald's affidavit, which gives his version of the relationship; six packets of files turned over to the court and the CIA by attorneys; and a declaration filed by

CIA Director William Casey in March.

Grautly said Casey's declaration and certain documents in the files removed by Rewald's attorney remained sealed.

### Investors to Meet

The first general meeting of the Bishop, Baldwin, Rewald, Dillingham & Wong Investors Association will be at 7 p.m. today in the Paisley Room of the Hilton Lagoon Apartments.

Membership in the group, to be known as the BBRDW Investors Association, will be open only to bona fide investor/creditors. Identification and proof of claim should be shown for admission, according to Alan Suematsu of Brown & Durant law firm, the association attorney.

Officers will be elected and bylaws will be proposed. A \$10 membership fee will be collected from everyone wishing to join.